

IN RE:)
) Jointly Administered at
DAMON’S INTERNATIONAL, INC., <u>et al.</u> , ¹) Bankruptcy No.: 09-27920-JAD
)
Debtor.)
.....) Chapter 11
)
DAMON’S INTERNATIONAL, INC., <u>et al.</u> ,)
)
Movants)
v.) Doc#_____
)
BEST RESTAURANT EQUIPMENT & DESIGN, INC.;)
MERRILL LYNCH BUSINESS FINANCIAL SERVICES,)
INC.; PNC BANK successor to NATIONAL CITY BANK;)
FRIEDBERGMILSTEIN PRIVATE CAPITAL FUND I;)
M&G, LLC; CIG REAL ESTATE OPPORTUNITY FUND)
2005-1 LLC; BALFOUR ASSOCIATES LP; HEARN) Related to Doc. No. 717
FAMILY PARTNERSHIP; MAGIC MILLER)
INVESTMENTS, INC.; THE FREEDOM FAMILY)
TRUST; SHANNON R. FOUST; HOWARD B.)Hearing Date and Time:
FREEDMAN; CARL T. HOWARD; JOHN D. MORTON;)August 30, 2011 at 10:00 a.m.
RICHARD M. TROPP; DIAMOND LEASE U.S.A., INC.;)
CEF FUNDING IV, LLC; GENERAL ELECTRIC)
CAPITAL CORP.; IRVING ROSSMAN; JERRY)
ROSSMAN; THE DELAWARE COUNTY BANK AND)
TRUST COMPANY; GE CAPITAL FRANCHISE)
CORPORATION; NEWCOURT COMMERCIAL)
FINANCE CORPORATION; and JP MORGAN CHASE)
BANK, N.A., successor in interest to BANK ONE, N.A.;)
FOUR ACES, LLC; GLIMCHER PROPERTIES)
LIMITED PARTNERSHIP; and SANDUSKY BAY)
INVESTMENT CO., INC.,)
)
Respondents.)

¹ The Debtors in these cases are Damon’s International, Inc., Damon’s Restaurants, Inc., Damon’s Restaurants of America, Inc., Damon’s of New Philadelphia, Inc., Damon’s of Lexington Park, Inc., and Damon’s Management, Inc., and are collectively referred to herein as the “Debtor.” The Court has authorized the joint administration of the Debtors’ cases at Case No. 09-27920-MBM {21521.06/582827:}

AND NOW, COME Damon's Restaurants, Inc., by and through its undersigned counsel, and files the following Suggested Bid Procedures for Auction of the Ohio Restaurants:

1. Damon's Restaurants, Inc. ("DRI" or "Debtor") is one of the Debtors in the above captioned proceedings, having filed a Voluntary Petition for Relief Under Chapter 11 of the United States Bankruptcy Code on January 29, 2010. The Debtor continues to conduct its business and affairs as a Debtor-In-Possession.

2. Among the Debtor's assets are four (4) restaurant locations located in Northern Ohio, being denominated Damon's Sandusky, Damon's Middleburg Heights, Damon's Canton, and Damon's Mentor.

3. On July 22, 2011, the Debtor filed a Motion to Sell the four (4) Ohio locations at an auction to be conducted by this Honorable Court.

4. In conjunction with the auction, the Debtor proposed that bidding commenced with a bid received from Christopher L. Little, who proposed to acquire each of the locations for a purchase price of \$12,000.00 or an aggregate purchase price of \$48,000.00, plus the cost of inventory at each acquired location and a franchise agreement for each of the locations.

5. On July 25, 2011, this Honorable Court entered an Order scheduling a hearing on the proposed auction sale for August 30, 2011.

6. In order to permit the auction to proceed in an orderly fashion the Debtor suggests that the auction be conducted as follows:

a) Initially, an auction be conducted that proposes to sell the assets at all four (4) locations, with bids setting forth the consideration to be paid per each location;

b) At the conclusion of the auction of the assets in the aggregate, an auction be conducted of the assets at each location;

c) Whether the offer is for assets in the aggregate or per location, the offer is to be on terms at least as favorable as the terms and conditions set forth in the form of Asset Purchase Agreement attached hereto as Exhibit "A";

d) To the extent the offer is to include the terms of a Damon's Franchise, the Franchise to be on terms at least as favorable as the form of Franchise Agreement attached hereto as Exhibit "B";

e) The successful purchaser to pay ten (10%) percent of the cash purchase price at the conclusion of the sale;

f) The successful purchaser to be responsible for the payment of all wages and rent incurred at the location purchased from and after September 1, 2011;

g) Closing to occur within fifteen (15) days or, to the extent the sale is conditioned upon the transfer of a liquor license, within five (5) business days of the approval by the State of Ohio of the transfer of the liquor license; and

h) To the extent more than one (1) bidder bids for any location, the second highest bidder be approved as a substitute bidder in the event the successful bidder is unable to close within thirty (30) days or such additional time as approved by the Court.

Respectfully submitted,

Dated: August 29, 2011

/s/ Haig M. Sakoian
Michael Kaminski, Esquire
Pa. I.D. No. 53493
Haig M. Sakoian, Esquire
Pa. I.D. No. 206032

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